

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF THE
BORGER ECONOMIC DEVELOPMENT CORPORATION
A TEXAS INDUSTRIAL DEVELOPMENT CORPORATION**

Time and Place

The following are the Minutes of the Board of Directors of the BORGER ECONOMIC DEVELOPMENT CORPORATION, a Texas Industrial Development Corporation organized under Section 4A of the Development Corporation Act of 1979, 1111 Penn Avenue, Borger, Texas on August 14, 2018 at 11:30 a.m., said meeting having been held on the call of the incorporators.

Present at the meeting were MICHELLE GRIFFIN, LISA A. JONES, SCOTT MILLS, JESSE SHUFFIELD and NORMAN SARGENT as Directors of the Corporation.

Also present were:

Katie Lingor, Executive Director, Borger EDC
Sue Headlee, Office Manager, Borger EDC
Eddie Edwards, City Manager
Joe Price, Assistant City Manager
Garrett Spradling, Assistant to City Manager
B B Robbins, Borger News Herald
Jeffery Whittington
Jamie Kelly, Coffee Ranch
Kenny Landers, HK's Heating A/C Plumbing
Robert Hamadi, Panhandle Surplus

President Michelle Griffin called the meeting to order at 11:58 a.m.

1. Michelle Griffin confirmed the presence of a quorum.
2. **Consider and take appropriate action on the approval of the Minutes of the July 10, 2018 meeting.**

Jesse Shuffield made the motion to approve the Minutes of the July 10, 2018 meeting. Following a second by Lisa Jones, motion carried.

3. **Consider and take appropriate action on July 2018 Financials and Expenditures.**

Following review and discussion of the financials, Scott Mills made the motion to approve the July 2018 Financials and Expenditures. Norman Sargent seconded the motion. Motion carried.

4. **Consider and take appropriate action for CD Maturing September 03, 2018.**

Executive Director Katie Lingor reported to the Board that the Certificate of Deposit with Happy State Bank matures on September 3, 2018 and recapped investment strategy recommendations previously developed by the Budget, Finance, and Audit Committee. These recommendations include laddering CD investments so that funds are maturing every 3-6 months and available for use on projects if needed.

Scott Mills made the motion that the funds from the CD with Happy State Bank maturing September 3, 2018 be invested as follows: \$100,000 be used to purchase a twelve (12) month CD with Happy State Bank; \$100,000 be used to purchase a twenty four (24) month CD with Happy State Bank; and \$100,000 be used to purchase an eighteen (18) month CD with Borger Bank. Lisa Jones and Jesse Shuffield will be signers on the new CD. The remaining funds will be deposited into the operating account of the BEDC. Following a second by Jesse Shuffield, motion carried.

5. **Presentation of June 2018 Unemployment Data.**

Executive Director Katie Lingor presented June 2018 Unemployment Data to the Board. The Board discussed the possible factors in Hutchinson County's high unemployment rate, relative to the rest of the Panhandle region. Some factors are hard to quantify, but others include need for job training and child care for working parents. Katie Lingor said she would develop a report that compares not just Hutchinson County's unemployment rate with other counties, but also other factors such as education attainment, wages, and workforce statics so that the Board could use the data to pursue other workforce development initiatives.

6. **Presentation of the Small Business Incentive Program ("SBIP") application by Nichole Kelly of Coffee Ranch, LLC.**

Jamie Kelly presented plans for the Coffee Ranch to purchase equipment and a display case to make their business more efficient. The entire project will cost Coffee Ranch about \$47,000. They are requesting a SBIP reimbursement grant of \$20,000 for their updates.

7. **Presentation of the SBIP application by Robert Hamadi of Panhandle Surplus, LLC.**

Mr. Hamadi presented a request to the Board for funds to add an additional metal building on an existing slab at the back of the premises and tie it to the existing building. This will almost double the current warehouse space enabling an increase in inventory. He also anticipates adding an additional employee to his staff. He anticipates spending about \$40,000 and is requesting a \$20,000 reimbursement grant from the BEDC through the Small Business Incentive Program.

8. **Presentation of the SBIP application by Kenny Landers of HK's Heating AC Plumbing.**

Kenny Landers presented a request for redo the outside of his building and cover it with metal and upgrade the electrical in the building. He anticipates spending about \$29,000 on this project and is requesting a reimbursement grant of \$14,500, through the Small Business Incentive Program for these improvements.

9. **Presentation of Borger Chamber of Commerce 3rd Qtr Report for professional services related to retail and service-industry related recruitment, marketing, business creation and business retention.**

Executive Director Katie Lingor presented the Chamber of Commerce 3rd Quarter Report to the Board. Following discussion, the Board concluded that we should further develop the Business Retention and Expansion ("BR&E") program with the Borger Chamber of Commerce to emphasize local business promotion through online marketing and website development, above traditional T.V. commercials. Katie Lingor told the Board that her objective would be to use the funds already allocated for business retention to produce this content and that she would report back to the Board as the program further develops.

10. **Review current leases for 1111 Penn St. ("BEDC Offices") and land at FM 1551 ("Borger Business Park"), and take appropriate action related to the extension, modification, or termination of expired and/or month-to-month leases.**

Following discussion, Lisa Jones made the motion to notify Edward Rodriguez that the BEDC will be terminating the grazing lease on the 130 acres located at the South-East Quadrant of FM 1551 and SPS Rd in Borger, Texas, effective immediately. The BEDC will make a full reimbursement of the July lease payment made by Edward Rodriguez, upon termination of the lease and the property inspected and found in acceptable condition. Jesse Shuffield seconded the motion. Motion carried.

11. **Executive Session**

Pursuant to Vernon's Texas Code Annotated Government Code, Title Chapter 551, Section 551.087 (deliberation regarding economic development negotiations), and Chapter 551, Section 551.071 (legal), the Board entered into closed Executive Session at 12:45 p.m. to discuss the following:

- A. Deliberate on the SBIP application submitted by Coffee Ranch.
- B. Deliberated on the SBIP application submitted by Panhandle Surplus, LLC.
- C. Deliberate on the SBIP application submitted by HK's Heating
- D. AC Plumbing.
- E. Discuss legal matters regarding Blue Creek Mercantile, LLC.
- F. Discuss legal matters regarding K D Precision Pump and Industrial Maintenance, LLC.

No action was taken during Executive Session.

12. **Board returned to Open session at 1:06 p.m.**

13. **Consider and take appropriate action on the SBIP application submitted by Coffee Ranch, LLC.**

Norman Sargent made the motion to approve the SBIP application by Coffee Ranch, LLC. Jesse Shuffield seconded the motion. Michelle Griffin abstained from voting. Motion carried.

14. **Consider and take appropriate action on the SBIP application submitted by Panhandle Surplus, LLC.**

Lisa Jones made the motion to approve the SBIP application submitted by Panhandle Surplus, LLC. Jesse Shuffield seconded the motion. Motion carried.

15. **Consider and take appropriate action on the SBIP application submitted by HK's Heating AC Plumbing.**

Jesse Shuffield made the motion to approve the SBIP application submitted by HK's Heating AC Plumbing. Motion was seconded by Norman Sargent. Motion carried. Lisa Jones abstained.

16. **Consider and take appropriate action on legal matters regarding Blue Creek Mercantile, LLC.**

Lisa Jones made the motion to move forward with the lawsuit against Brady Ames per agreement. Jesse Shuffield seconded the motion. Motion carried.

17. **Consider and take appropriate action on legal matters regarding K D Precision Pump & Industrial Maintenance, LLC.**

Norm Sargent made the motion to extend the deadline for K D Precision Pump & Industrial Maintenance LLC to reply to the settlement offer to September 4, 2018. Following a second by Jesse Shuffield, motion carried.

18. **Adjourn**

Motion to adjourn was made at 1:08 p.m. by Scott Mills. Motion was seconded by Jesse Shuffield. Motion carried.

President _____
Michelle Griffin

Secretary-Treasurer _____
Lisa A. Jones